

From: Brian Covey
To: Microsoft ATR
Date: 12/7/01 4:26pm
Subject: Microsoft Settlement.

So, we have an illegal monopoly that gained undue influence over the marketplace by tying products together and essentially giving their browser away for free.

And to punish them, we're going to ask them to...

Give a billion dollars' worth of their products away to schools, for free?

What is wrong here?

First of all, profit margins on software are insanely high. That billion dollars worth of software is not going to cost them a billion dollars. I bet you it doesn't even cost them a hundred million. Development is a sunk cost, so they're just paying for manufacturing and shipping. Second of all, this is just going to tie schools more tightly to Microsoft, making it even harder for competitors to stay in the marketplace.

Make them give away a billion dollars to schools, and let the schools make the spending decisions, not just hand out a billion in free marketing materials.

Sincerely,
Brian Covey